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STATE PASS TO USDA FOR FAS MIKE WOOLSEY AND JIM DEVER  
NSC FOR VICTOR CHA  
STATE PASS USTR  
OSD FOR USDP/APSA/SSEA JESSICA POWERS  
PACOM FOR J01E/J2/J233/J5/SJFHQ

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TAGS: [PGOV](#) [PREL](#) [ETRD](#) [MARR](#) [NZ](#)

SUBJECT: DEFENSE AND TRADE MINISTER PHIL GOFF'S TRIP TO  
WASHINGTON

REF: A. WELLINGTON 194  
[1](#)B. WELLINGTON 351

Classified By: Acting DCM Katherine B. Hadda,  
for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: New Zealand's Minister for Defense and Trade Phil Goff sees his May 9-11 visit to Washington as a chance to build on the positive momentum created by PM Helen Clark's March visit (Ref A). On the Defense side, Goff will express hope that both countries can continue to identify joint areas of military cooperation as our resources and interests allow. He will stop short of offering any substantive suggestions for new areas in which to work together, recognizing that it will be up to the United States to decide what cooperation is feasible for us under modified waiver restrictions. Goff will also wish to talk about his recent trip to Afghanistan and his meetings with U.S. military officials there, as well as exchange views on the Pacific, Iran, and N.Korea. He will for political reasons raise NZ's interest in selling its retired A-4 planes, but not press the issue as he knows the USG review of the sale remains frozen. He will also emphasize that failure to sell the planes will not decrease NZ's long-range military spending increases.

[1](#)2. (C) Goff realizes that U.S. officials will remain unable to consider a bilateral FTA with New Zealand absent renewal of Trade Promotion Authority, but he will stress that the GNZ remains strongly interested in starting negotiations as soon as possible. He will also wish to share views on prospects for successful conclusion of WTO Doha Round negotiations and discuss the U.S. Farm Bill. Goff, widely considered to be among the most intelligent and hard-working of Labour's MPs, will arrive ready to discuss issues in detail. End Summary.

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Defense and Security  
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[1](#)3. (C) According to Ministry of Foreign Affairs and Trade (MFAT) and Ministry of Defence (MoD) officials, Minister Goff sees his visit as an opportunity to let Defense Secretary Gates, National Security Advisor Hadley, and other U.S. officials know that New Zealand is interested in strengthening bilateral military relations as part of our efforts to improve US-NZ ties. Goff will highlight the areas in which he believes New Zealand is adding value to regional

and global security, and note the GNZ's interest in expanding cooperation where interests and policies allow. He will probably not suggest anything specific, however, in large part because he does not want to appear presumptuous about how we will wish to cooperate under a modified USG military waiver process. That being said, Goff will likely express appreciation for both the recent USG decision to streamline some waivers as well as the positive first round of NZDF-DoD working level consultations. He would value USG views on both initiatives, but will probably not actively lobby for this, again in deference to us.

¶4. (C) Goff will stress that although New Zealand has only extended its military commitments in Afghanistan through September 2008, the Government intends to remain there for the foreseeable future, as long as needed. He will also wish to share his observations from his recent visit to Afghanistan, which included a visit to New Zealand's Provincial Reconstruction Team in Bamiyan as well as discussions with ISAF Commander McNeil and Ambassador Wood at a dinner that Goff hosted in Kabul. Finally, Goff will note that New Zealand understands and appreciates our desire that NZDF Special Forces return to Afghanistan, but will reiterate that this will not be possible for a year at minimum, given the NZDF's other regional commitments.

¶5. (C) Minister Goff will be interested in exchanging views on Iran and North Korea (NB: he is also the Minister for Disarmament) and the Pacific Island Countries. He will also raise E. Timor, where he will visit shortly after his trip to Washington and Paris. In his meeting with A/S Hill (and possibly Secretary Gates) he may raise New Zealand's application to sell its retired A-4 planes to a private U.S. company. He sees mentioning the issue as a political necessity, since the opposition National Party has criticized

the Government's inclusion of revenues from the sale in the NZDF's Long Term Development Plan (LTDP) budget. But Goff recognizes that the USG review of the sale is frozen for the foreseeable future, so will not press the matter. He will also stress that while the lack of a sale would affect NZDF's cash flow, it will not reduce the Government's LTDP budget or other military spending.

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Trade Issues  
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¶6. (C) New Zealand's economy remains relatively strong overall, with low unemployment and a projected 2007 GDP growth rate of 2%. But manufacturers and exporters are concerned about the highest interest rates in decades and record high NZ dollar exchange rate. Their worries are being exploited by the opposition National Party, which blames Labour government spending for the problems (Ref B). Recent NZ layoffs by manufacturers such as Fisher and Paykel in favor of cheaper Asian labor have added to the sense that New Zealand, with its open markets, is losing out to more protectionist and less developed economies. All this will be weighing on the mind of Minister Goff. He will make clear to US officials and Congressmen that while the GNZ recognizes that no Free Trade Agreement will be possible unless Trade Promotion Authority is renewed, New Zealand remains highly interested in starting negotiations as soon as possible. Goff will also be very interested in discussing prospects for a successful Doha round and will offer continued NZ assistance in that direction. He will also remind his interlocutors that collapse of talks could cause economic contractions in New Zealand and other small economies. He will be keen as well to share New Zealand's experience with agricultural deregulation and to discuss the U.S. Farm Bill.

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Hard-Charging Phil Goff  
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¶7. (C) Although Goff seemed reluctant to cede his Foreign Ministry post after the 2005 general elections, he has by

all accounts settled in well to his defense and trade portfolios. Although he has publicly disagreed with U.S. policies at times, Goff also often talks about his close ties to and admiration for the United States. His sister is married to an American and lives in California, and Goff may mention during his meetings that his four American nephews are all involved in the U.S. military. The eldest, having served in Iraq, is now heading to the DAO office in Embassy Bangkok; the second is to be deployed soon from Vincenze to Afghanistan; the third is at West Point, and the fourth is in the ROTC at the University of Southern California. Since being at the Ministry of Defence, Goff has also apparently had a similar revelation to PM Clark's about the depth and breadth of existing US-NZ military cooperation (Ref A), which he has now seen first hand. He has also noted to us many times that he appreciates the recent warming in US-NZ relations.

18. (C) Goff is extremely hard working, and pulls in long hours for both his Ministries as well as his constituents in the Auckland suburb of Mt. Roskill. (After the Ambassador's recent dinner hosted in Minister Goff's honor broke up at 10:30 pm, Goff returned to his office to work.) Goff shares PM Clark's gift for detail and he will be very well versed in all issues covered at his Washington meetings. He is also determined to succeed -- quickly -- at anything he tries. He recently told Emboffs that when he wished to try skydiving out of a military plane (his first jump ever), he opted for a water landing because that required only a day's training instead of the two-week course required to alight on land. He then negotiated the training down to two hours. He confessed to having been scared during the jump, but said mostly he was very focused on the job at hand. This sums up his working style in a nutshell.  
McCormick